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April 19, 2006

OF COUNSEL
WILLIAM G. CONLY

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Formation, Reservoir A; and Cotton Valley
Formation, Reservoir A; BETHANY-LONGSTREET
FIELD, DeSoto Parish, Louisiana.

Dear Sir:

NELSON ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Hosston Formation, Reservoir A, and to the Cotton Valley Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana:

1. To permit Applicant to combine downhole production from the Hosston Formation, Reservoir A, with production from the Cotton Valley Formation, Reservoir A, in the wellbore of any existing or future wells located on the units designated HOSS RA SU13 and CV RA SU77 in which the interests in these units are identical, said units being shown on the attached plat.
2. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana, was initially defined in Office of Conservation Order No. 289, effective October 1, 1954, and was further defined in Office of Conservation Order No. 289-A-g-2, effective April 14, 1977. The Cotton Valley Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana, was initially defined in Office of Conservation Order No. 289-J, effective March 1, 1974, and was further defined in Office of Conservation Order No. 289-J-1, effective April 14, 1977.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person wishing to inspect any such data should call Mr. Joe Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

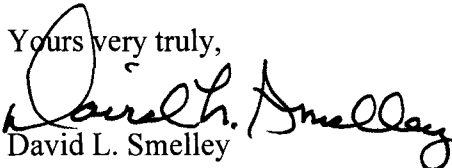
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As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the attached plat, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plat, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Bethany-Longstreet Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

David L. Smelley

-- Attorney for Nelson Energy, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Danny Moreland (w/encls.)
Mr. Joe Adams (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

17

Texas O&G
Burford-Shows
1
9300'

El Paso
Mason Est.
2
10,730'
El Paso
Mason Est.
5
10,840'
El Paso
Mason Est.
16
9400'
El Paso
Mason Est.
4
10,890'
El Paso
Mason Est.
3
10,600'
El Paso
Mason Est.
8
El Paso
Mason Est.
9
El Paso
Mason Est.
6
10,415'
Texas O&G
Lunday
1
9299'

El Paso
Mason Est.
1
El Paso
Weyerhaeuser
1
10,650'
El Paso
Weyerhaeuser
2
10,440'
Grigaby
El Paso
Schuler
2
El Paso
Jernigan
1
5635'
El Paso
Willamette
1
9152'
El Paso
Weyerhaeuser
4
9615'
El Paso
D Mason
1
9250'
El Paso
D Mason
2
9200'
El Paso
(Sonat)
Busher
1
9156'
El Paso
Weyerhaeuser
3
10,700'
El Paso
(Sonat)
Willamette
2
9190'
El Paso
Weyerhaeuser
1
10,330'

20

Nelson
Martin Timber et al
1

Nelson
Johnson
2
A-1
9200'
Nelson
Int'l Paper Co.
1
Nelson
Johnson
1
9160'
Nelson
Mason
1
Nelson
Wilson
1
HOSS RA SU13
CV RA SU77
Nelson
(May)
Wilson
1
9200'

El Paso
Mason et al
1
9200'
El Paso
A Greene
1
9250'
El Paso
Mason
2
El Paso
Gamble
1
El Paso
Derbonne
1
El Paso
Derbonne
2
El Paso
Gleason
1
10,175'
El Paso
Mason
1
9100'
Sonat
(May)
Jones
1
6705'

22

Bridas
Winston
1
Bridas
Shelly Evans
1
Nelson
Salley
1
9132'
Bridas
B Lewis
29
1
10,238'
Bridas
K Schmidt
1
May
D R Shows
1

Bridas
Billingsley Est.
1
Goldberry
Billingsley
1
10,153'
A-1
7212'
8972'
IMC
Billingsley
28
Bridas
J B Barr
1
10,858'
Bridas
Thomas
1
9180'
Bridas
Chas Henderson
1

Bridas
M B Smith
1
10,330'
Bridas
L Davis
1
6994'
So Nat Gas et al
B McMichael
1
Nelson
(Winchester)
Mason
1
9200'
Bridas
Ardis-Martin Tbr
1
10,300'
Bridas
Ardis-Martin Tbr
2
10,187'
Bridas
Cowdin
1
9160'

27

T 13 N - R 15 W

EXHIBIT No.

DOCKET No. 06-

LEGEND

EXISTING UNITS TO BE
DOWNHOLE COMBINED

ONLY WELLS > 6500' TD SHOWN

NELSON ENERGY, INC.
SHREVEPORT, LOUISIANA

BETHANY LONGSTREET FIELD
DeSOTO PARISH, LOUISIANA
PROPOSED DOWNHOLE
COMBINATION OF PRODUCTION
FROM HOSS RA SU13
AND CV RA SU77

0 2000' 4000' 1 Mile